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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/783,655	02/20/2004	Jeffrey Yass	192154	7256
7590 03/17/2009				
Gregory J. Lavorgna Drinker Biddle & Reath LLP One Logan Square 18th & Cherry Streets Philadelphia, PA 19103-6996			EXAMINER SHAIKH, MOHAMMAD Z	
			ART UNIT 3696	PAPER NUMBER
			MAIL DATE 03/17/2009	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/783,655

**Applicant(s)**

YASS ET AL.

**Examiner**

MOHAMMAD Z. SHAIKH

**Art Unit**

3696

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12 December 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SE/US)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This action is made **Non-Final**, because examiner is making a new ground of rejection not necessitated by Applicant's amendment.

### **Status of Claims**

2. Claims 1-42 are pending in this application.
3. Claims 1, 9, 22, 37-38 have been amended.

### ***Claim Rejections- 35 U.S.C § 102(b)***

4. The 35 U.S.C 102(b) rejections for claims 1-6, 10-12, 18-22, 33-34, 36-38 as being anticipated by US 2002/0174046 has been withdrawn.

### ***Claim Rejections- 35 U.S.C § 102***

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-3, 7-15, 18-19, 22-31, 33,35, 37-39 are being rejected under 35 U.S.C 102(e) as being anticipated by "Income Trusts: a "Tax Efficient Product" or the Product of Tax Inefficiency", Canadian Tax Journal, herein Canadian Tax Journal.

Regarding claim 1, Canadian Tax Journal discloses a system for transacting securities, comprising: a plurality of securities issued by a single issuer (pg 10); and a securities combine comprising a computer aggregating the securities in at least one tradable bundled instrument security for transaction (pgs 14-15).

Regarding claim 2, Canadian Tax Journal discloses the system as recited in claim 1, wherein the securities comprise any of debt, equity, and hybrid securities (pg 16: paragraph 2).

Regarding claim 3, Canadian Tax Journal discloses the system as recited in claim 1, further comprising bundling rules that instruct the security combine to bundle the securities when creating the bundled instrument security (pgs 14-15).

Regarding claim 7, Canadian Tax Journal discloses the system as recited in claim 6, wherein the depositary receipts are traded on public securities marketplaces, ECNS, and exchanges (page 14).

Claim 8 is being rejected using the same rationale as claim 7.

Regarding claim 9, Canadian Tax Journal discloses the system as recited in claim 1, wherein the securities are of the same type (pg 14).

Claim 10 is being rejected using the same rationale as claim 2.

Regarding claim 11, Canadian Tax Journal discloses the system as recited in claim 1, wherein the system operates in a computing environment such that the security combine comprises a computing application (pages 9, 38).

Claim 12 is being rejected using the same rationale as claim 2.

Regarding claim 13, Canadian Tax Journal discloses the system as recited in claim 12, wherein the selected multiple has a value in a selected range in compliance with securities regulations (page 15: paragraph 2).

Regarding claim 14, Canadian Tax Journal discloses the system as recited in claim 12, wherein the selected multiple changes responsive to one or more changes affecting the plurality of securities comprising any of a security split, a reverse security split, and a reorganization event (page 10: #8 ).

Regarding claim 15, Canadian Tax Journal discloses the system as recited in claim 12, wherein the selected multiple is based on at least one factor comprising any of current share price, market capitalization, trading volume, listing venue, and investor interest (page 14: paragraph 5; page 15: paragraph 1).

Regarding claim 18, Canadian Tax Journal discloses the system as recited in claim 1, wherein receipt from an investor of the bundled instrument security comprises redemption of the bundled instrument security (page 17).

Regarding claim 19, Canadian Tax Journal discloses the system of claim 1, wherein said bundled instrument security comprises a cash distribution issued on the units of said plurality, wherein the cash distribution is indirectly paid to at least one of the investors (page 17).

Claim 22 is being rejected using the same rationale as claim 1.

Claim 23 is being rejected using the same rationale as claim 7.

Claim 24 is being rejected using the same rationale as claim 15.

Claim 25 is being rejected using the same rationale as claim 10.

Claim 26 is being rejected using the same rationale as claim 10.

Regarding claim 27, Canadian Tax Journal discloses the method as recited in claim 22 further comprising selling the bundled instrument security to at least one investor at a price based on a multiple of at least one of the plurality of the securities (page 11: paragraph 5).

Claim 28 is being rejected using the same rationale as claim 13.

Claim 29 is being rejected using the same rationale as claim 14.

Claim 30 is being rejected using the same rationale as claim 18.

Regarding claim 31, Canadian Tax Journal discloses the method as recited in claim 30 further comprising purchasing the expelled at least one security of the plurality of securities (page 17).

Regarding claim 33, Canadian Tax Journal discloses the method as recited in claim 22, wherein said aggregating comprises aggregating a selected number of the plurality of securities to generate the bundled instrument security (pages 15-16).

Claim 35 is being rejected using the same rationale as claim 7.

Regarding claim 37, Canadian Tax Journal discloses a system providing a security for transaction, comprising a computer comprising: a first means for applying bundling criteria comprising any of security price, market capitalization, trading volume, a listing venue of at least one of a plurality of securities, and investor interest in at least one of a plurality of securities (page 14: paragraph 5; pg 15: paragraph 1); second means for bundling a plurality of single issuer, uniform typed units of the at least one security into a tradable bundled instrument security in accordance with the bundling

criteria (page 15); third means for selling the bundled instrument security to at least one investor at a price that is a predetermined multiple of at least one unit of the at least one security; and fourth means for redeeming the bundled instrument security from at least one investor (page 11: paragraph 5)

Regarding claim 38, Canadian Tax Journal discloses a security transaction system, comprising: a plurality of securities issued by a single issuer (page 10); at least one tradable bundled instrument security that comprises a selected multiple of at least one of the plurality of securities (page 16: paragraph 2); and a computer programmed to sell the at least one bundled instrument security to investors (page 9, page 38), and permit investors to redeem the at least one bundled instrument security, at a bundle price selected in accordance with a price of at least one of the plurality of securities, and with the predetermined multiple (page 17).

Claim 39 is being rejected using the same rationale as claim 2.

***Claim Rejections- 35 U.S.C § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 4-6, 34 are being rejected under 35 U.S.C 103(a) as being unpatentable over Canadian Tax Journal in view of US 2002/0046154 to Pritchard.

Regarding claim 4, Canadian Tax Journal discloses the system as recited in claim 2. However Canadian Tax Journal does not disclose wherein the security combine is a trust operated under the guidance of a trustee. Pritchard discloses wherein the security combine is a trust operated under the guidance of a trustee. ([0057]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include wherein the security combine is a trust operated under the guidance of a trustee. One of ordinary skill in the art would have been motivated to include wherein the security combine is a trust operated under the guidance of a trustee in order to ensure that the funds are distributed in accordance with the trustee's instructions.

Regarding claim 5, Canadian Tax Journal discloses the system as recited in claim 4. However Canadian Tax Journal does not disclose that the trustee is a bank. Pritchard discloses that the trustee is a bank ([0012]). Therefore it would have been



obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include the trustee as a bank. One of ordinary skill in the art would have been motivated to include that the trustee as a bank in order to ensure that the funds are distributed in accordance with the trustee's instructions.

Regarding claim 6, Canadian Tax Journal discloses the system as claim 4. However Canadian Tax Journal does not disclose wherein the bundled instrument security is represented by depositary receipts issued by the trust and administered by the trustee. Pritchard discloses wherein the bundled instrument security is represented by depositary receipts issued by the trust and administered by the trustee ([0008]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include discloses wherein the bundled instrument security is represented by depositary receipts issued by the trust and administered by the trustee. One of ordinary skill in the art would have been motivated to include wherein the bundled instrument security is represented by depositary receipts issued by the trust and administered by the trustee in order to ensure that the funds are distributed in accordance with the trustee's instructions.

Claim 34 is being rejected using the same rationale as claim 6.

9. Claims 16,32 are being rejected under 35 U.S.C 103(a) as being unpatentable over Canadian Tax Journal in view of US Patent 6,615,188 to Breen et al, herein Breen.

Regarding claim 16, Canadian Tax Journal discloses the system as recited in claim 1. However Canadian Tax Journal does not disclose wherein the bundled

instrument security is sold to, or redeemed by, investors in accordance with at least one option position. Breen discloses wherein the bundled instrument security is sold to, or redeemed by, investors in accordance with at least one option position (column 81, line 28). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include wherein the bundled instrument security is sold to or redeemed by, investors in according with at least one option position. One of ordinary skill in the art would have been motivated to include wherein the bundled instrument security is sold to or redeemed by, investors in according with at least one option position in order to ensure that all types of investment vehicles are available to investors.

Claim 32 is being rejected using the same rationale as claim 16.

10. Claim 17 is being rejected under 35 U.S.C 103(a) as being unpatentable over Canadian Tax Journal in view of US 2002/0099645 to Agarwal et al, herein Agarwal.

Regarding claim 17, Canadian Tax Journal discloses the system as recited in claim 1. However Canadian Tax Journal does not disclose wherein a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities. Agarwal discloses wherein a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities ([0127], [0128], [0129]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include wherein a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities. One of ordinary skill in the art would have been motivated to include wherein

a dollar value spread is tighter in the bundled instrument security than in the ones of the plurality of securities in order to ensure that the investor obtains the optimum price of the securities.

11. Claims 20-21,36 are being rejected under 35 U.S.C 103(a) as being unpatentable over Canadian Tax Journal in view of US 2002/0023040 to Gilman et al, herein Gilman.

Regarding claim 20, Canadian Tax Journal discloses the system as recited in claim 1. However Canadian Tax Journal does not disclose a first fee that is charged when creating the bundled instrument security. Gilman discloses a first fee that is charged when creating the bundled instrument security ([0007]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include a first fee that is charged when creating the bundled instrument security. One of ordinary skill in the art would have been motivated to include a first fee that is charged when creating the bundled instrument security in order to ensure that all parties are compensated in the process of issuing the security.

Claim 21 is being rejected using the same rationale as claim 20.

Claim 36 is being rejected using the same rationale as claim 20.

12. Claim 40 is being rejected under 35 U.S.C 103(a) as being unpatentable over Canadian Tax Journal in view of US 2002/0087373 to Dickstein et al, herein Dickstein and further in view of Pritchard.

Regarding claim 40, Canadian Tax Journal discloses the security transaction system of claim 39. However Canadian Tax Journal does not disclose wherein the

equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options, American Depositary Receipts, and interests in limited partnerships and limited liability companies. Dickstein discloses wherein the equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options ([0027]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include wherein the equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options. One of ordinary skill in the art would have been motivated to include wherein the equity securities are selected from the group consisting of common stock, preferred stock, convertible or exchangeable preferred and preference stock, warrants, options in order to ensure that all different types of securities can be used in the transaction system. Pritchard discloses American Depositary Receipts, and interests in limited partnerships and limited liability companies ([0008]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include American Depositary Receipts, and interests in limited partnerships and limited liability companies. One of ordinary skill in the art would have been motivated to include American Depositary Receipts and interests in limited partnerships and limited liability companies in order to ensure that the equity securities encompass all types of instruments.

13. Claims 41-42 are being rejected under 35 U.S.C 103(a) as being unpatentable over Canada Tax Journal in view of Dickstein.

Regarding claim 41, Canadian Tax Journal discloses the security transaction of claim 39. However Canadian Tax Journal does not disclose wherein the debt securities comprise any of unsecured notes and debentures, secured notes, mortgage bonds, collateral trust bonds, convertible and exchangeable bonds, notes and debentures. Dickstein discloses unsecured notes, secured notes, and notes ([0027]). Therefore it would have been obvious to one of ordinary skill in the art to modify Canadian Tax Journal's invention to include unsecured notes, secured notes, and notes. One of ordinary skill in the art would have been motivated to include unsecured notes, secured notes, and notes in order to ensure that all types of instruments are included.

Regarding claim 42, Canadian Tax Journal discloses the security transaction system of claim 39. However Canadian Tax Journal does not disclose wherein the hybrid securities comprise convertible notes. Dickstein discloses wherein the hybrid securities comprise convertible notes ([0027]). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Canadian Tax Journal's invention to include wherein the hybrid securities comprise convertible notes. One of ordinary skill in the art would have been motivated to include wherein the hybrid securities comprise convertible notes in order to ensure that all types of securities are available to the investor.

**RESPONSE TO ARGUMENTS**

14. Applicant's arguments filed on 12/12/08 have been fully considered and are persuasive. Therefore the rejection has been withdrawn. However upon further consideration a new ground(s) of rejection is being made in view of Canadian Tax Journal in view of US 2002/0046154 to Pritchard, US Patent 6,615,188 to Breen et al, US 2002/0099645 to Agarwal, US 2002/0023040 to Gilman et al and US 2002/0087373 to Dickstein et al.

### **CONCLUSION**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to MOHAMMAD Z. SHAIKH whose telephone number is (571)270-3444. The examiner can normally be reached on Monday-Friday (7:30-5); alt Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. Z. S./  
Examiner, Art Unit 3696  
3/3/2009

Mohammad Z Shaikh  
Examiner  
Art Unit 3696

**/Daniel S Felten/  
Primary Examiner, Art Unit 3696**